



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

December 13, 1990

FmHA AN No. 2190 (1924)

SUBJECT: Proper Completion of FmHA Form 431-2, "Farm and Home Plan"

TO: State Directors, District Directors and County Supervisors

ATTENTION: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to emphasize the importance of completing the Form FmHA 431-2, "Farm and Home Plan," properly and accurately in connection with making and servicing Farmer Programs loans. The intended outcome is to ensure that the Farm and Home Plan is completed in sufficient detail to reflect the borrower's financial position and to protect the financial interest of the Government. The Forms Manual Insert (FMI) must be followed explicitly for this purpose.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued.

IMPLEMENTATION RESPONSIBILITIES:

National Office Coordinated Assessment Reviews and Credit Quality Reviews continue to indicate weaknesses exist in the preparation of Form FmHA 431-2, "Farm and Home Plan," when developing plans of operation for loan making and loan servicing purposes. The following weaknesses have been noted:

1. Plans are not signed and dated by the borrower and the County Supervisor.
2. The financial portion of the Automated Plan is not signed and dated by the borrower.

EXPIRATION DATE: November 30, 1991

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1924-B



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

3. All assets and/or debts are not properly reflected in Table A of the Farm and Home Plan.
4. The net worth section of Table A is not properly completed to reflect the results of the annual analysis as it relates to the change in the borrower's net worth.
5. Rental and lease information is not entered into Table B, when applicable.
6. Table C is not properly prepared to address key farm management practices and improvements necessary to carry out the proposed plan of operation.
7. Annual analysis is not planned in Table C.
8. Commodity prices, commodity/livestock yields, and farm operating and family living expenses are not based upon past actuals. FmHA Instruction 1924-B, Section 1924.57(d) addresses the documentation required.
9. Tables F, G, H, I and J are not completed per the Forms Manual Insert. Totals in Tables F, G and H are not brought forward to proper columns in Tables I and J.
10. All debts due and to be paid during the annual production cycle, including income and Social Security taxes, are not included in Table K.
11. Mathematical errors.

State Directors should ensure that District Directors and Farmer Programs Chiefs identify farm planning weaknesses in their States during credit quality, independent and evaluation reviews and take corrective actions in those areas found to be deficient.

A thorough review of the FMI will provide in-depth assistance in the accurate completion of the Farm and Home Plan.

  
LA VERNE AUSMAN  
Administrator

Sent by Time Delay Option to States at 9:30 on 1/10/91 to Districts at 11:30 on 1/10/91 and Counties at 1:30 on 1/10/91 by ASD.



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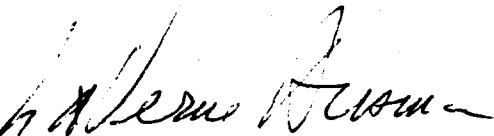
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2190(1924)

3. All assets and/or debts are not properly reflected in Table A of the Farm and Home Plan.
4. The net worth section of Table A is not properly completed to reflect the results of the annual analysis as it relates to the change in the borrower's net worth.
5. Rental and lease information is not entered into Table B, when applicable.
6. Table C is not properly prepared to address key farm management practices and improvements necessary to carry out the proposed plan of operation.
7. Annual analysis is not planned in Table C.
8. Commodity prices, commodity/livestock yields, and farm operating and family living expenses are not based upon past actuals. FmHA Instruction 1924-B, Section 1924.57(d) addresses the documentation required.
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